



Housing Assistance Council
HAC News

RD likely to spend all 502 direct funds in FY16. USDA RD has told HAC and other stakeholders that it expects to be able to use all of this year's available Section 502 direct loan monies and to meet the 40% requirement for very low-income borrowers. Last year it used all the funds, though 31.8% of the total went to very low-income borrowers rather than 40% (see [HAC News, 9/30/15](#)). Also, Section 504 loans are being obligated at a higher rate this year than last year. Anticipating exhaustion of Section 502 low-income funds before October 1, an [Unnumbered Letter](#) dated July 22, 2016 provides a form for field staff to notify eligible applicants with identified properties that funds are temporarily unavailable. The agency does not know yet the extent to which its income banding pilot (see [HAC News, 6/15/16](#)) has improved its ability to make loans to very low-income homebuyers.

Resource guides offered for Louisiana flood survivors. Federal agencies including [FEMA](#), [USDA](#), and [HUD](#) have information available online, and HAC has issued a [special update](#) to its natural disaster guide, [Picking Up the Pieces](#). To apply for federal assistance, survivors can visit [disasterassistance.gov](#), call 800-621-3362 (toll free), or visit a [Disaster Recovery Center](#). For aid with damaged USDA-funded housing (single-family or multifamily), call the Louisiana state RD office, 866-481-9571 (toll free).

Rural places included in HUD Youth Homelessness Demonstration Program. HUD will select up to 10 communities, four of them rural, to participate in the YHDP to develop and execute coordinated community approaches to preventing and ending youth homelessness. Nonprofits and government entities designated as Collaborative Applicants by CoCs in their FY16 registrations are eligible and must [apply](#) by November 30. Contact [Ebony Rankin](#), HUD.

Civil monetary penalties implemented for USDA multifamily housing. A [new regulation](#), to be implemented December 21, gives USDA the option to charge monetary penalties for owner defaults, rather than accelerating or foreclosing on mortgages. (See [HAC News, 1/10/13](#).) Since most owners comply with statutes, regulations, and loan documents, USDA estimates that less than 5% of the multifamily portfolio will be affected by this rule. Contact Stephanie White, RD, 202-720-1615.

RD updates letter on reconciling Section 538 and Section 515 for preservation. An [Unnumbered Letter](#) dated July 29, 2016 revises [one dated July 14, 2015](#) addressing the procedural differences between the two programs when a Section 538 guaranteed loan is being used to preserve a property with a Section 515 loan. Contact [Tammy S. Daniels](#), RD, 202-720-0021.

FY17 Fair Market Rents to be released August 26. [FMRs will be posted](#) at <https://www.huduser.gov/portal/datasets/fmr.html> and will take effect in 30 days unless "interested parties" [request reevaluations](#) and then provide data. This notice also requests [feedback](#) on what "material changes" in methodology would require future opportunities for comment. Contact [local HUD program staff](#) with questions.

Section 502 guarantee fees to decrease. On October 1, the first day of FY17, USDA's fees for Section 502 guaranteed purchase and refinance loans will drop. The upfront fee will fall from 2.75% to 1%, and the annual fee from 0.5% to 0.35%. The conditional commitment date of issuance (not the loan closing date) determines the fee schedule for loan requests. Contact a [guaranteed loan coordinator](#) or Joshua.Rice@wdc.usda.gov.

Federal Interagency Reentry Council plans work on housing and other challenges. The Council, comprised of over 20 federal agencies including USDA and HUD, works to ensure that individuals returning to the community from prison or jail have a meaningful chance to rebuild their lives and reclaim their futures. A [recent report](#) reviewing its work since 2011 says next steps related to housing include providing training and technical assistance to HUD field staff, providing housing assessment and discharge planning guidance to correctional institutions, and distributing information.

Online tool demonstrates affordable housing finance challenges. "[The Cost of Affordable Housing: Does It Pencil Out?](#)" was developed by the National Housing Conference and the Urban Institute. As the tool's website explains, "there is a huge gap between what [affordable rental] buildings cost to construct and maintain and

the rents most people can pay. Without the help of too-scarce government subsidies for creating, preserving, and operating affordable apartments, building these homes is often impossible. This tool helps explain why.”

NLIHC offers updated congressional district and state rental housing profiles. The National Low Income Housing Coalition’s [one-page profiles](#) for each congressional district and state provide snapshots of housing affordability for renters, emphasizing those with extremely low incomes.

SAVE THE DATES FOR THE HAC RURAL HOUSING CONFERENCE 2016! This year’s [national conference](#) will be held November 30-December 2 in Washington, DC with pre-conference activities on November 29. The *HAC News* will announce when registration opens.

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